

Department of the Army
Headquarters, U.S.
Army Sustainment Command
1 Rock Island Arsenal
Rock Island, IL 61299-6500

*ASC Regulation 690-7

13 Aug 10

Civilian Personnel

STUDENT LOAN REPAYMENT PROGRAM (SLRP)

Applicability. This regulation applies to all U.S. Army Sustainment Command (ASC) organizations and installations.

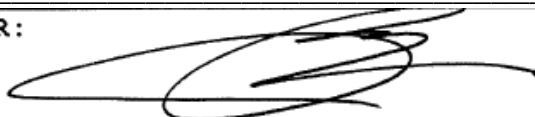
Supplementation. Supplementation of this regulation is prohibited without prior approval from the proponent.

Proponent. The proponent is the Deputy Chief of Staff for Human Resource Management, G-1. Users may send comments and recommendations to HQ ASC (AMSAS-HRC), 1 Rock Island Arsenal, Rock Island, IL 61299-6500, email rock-amsas-hrc@conus.army.mil.

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Superseded publications*. ASCR 690-7, 19 Oct 09.

FOR THE COMMANDER:



Official:

JAMES M. COFFMAN
Acting Chief of Staff

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1. Purpose. This regulation provides guidance and procedures, and assigns responsibilities to supervisors, managers, and employees on the Student Loan Repayment Program (SLRP) at HQ ASC and subordinate installations.

2. References.

- a. 5 U.S.C. 5379, Student Loan Repayment Program.
- b. 5 CFR 537, Repayment of Student Loans.
- c. Department of Defense (DoD) Student Loan Repayment Plan, 30 Sep 04.
- d. Department of Army (DA) memorandum, DoD Student Loan Repayment Program, 22 Mar 05.
- e. AMC memorandum, Guidance on Repayment of Student Loans, 3 Apr 02.
- f. ASC Form 690-2, Request for Repayment of Student Loans.
- g. ASC Form 690-3, Student Loan Repayment Service Agreement.

3. Abbreviations.

ASC.....Army Sustainment Command
CoS.....Chief of Staff
CPAC.....Civilian Personnel Advisory Center
DCDeputy to the Commander
DFAS.....Defense Finance and Accounting Service
DoD.....Department of Defense
RPA.....Request for Personnel Action
SLR.....Student Loan Repayment
SLRP.....Student Loan Repayment Program

4. Policies.

a. The SLRP is a recruitment and retention incentive for highly qualified individuals. Supervisors may consider student loan repayment during the recruitment process for a job candidate or as a retention incentive for a current employee.

b. Student loan repayment (SLR) may be authorized for recruitment purposes if job market conditions support approval, position is hard to fill, or special qualifications are needed. In cases where this incentive is used for recruitment purposes, approval must be received before the employee enters on duty for

the position they were hired. Evidence of need for recruitment purposes are:

(1) The success of recent efforts to recruit suitable candidates for identical or similar positions, including indicators such as offer acceptance rates, the proportion of positions filled, and the length of time required to fill positions.

(2) Turnover rate in the same or similar position.

(3) Labor market factors that affect the ability to recruit for similar positions.

(4) Special qualifications needed.

c. Supervisors may consider SLR as a retention incentive. SLR may be authorized upon determination that in the absence of a loan repayment benefit the organization would have difficulty retaining a highly qualified employee. Such factors for retention are:

(1) Unique or high qualifications of the employee or the special need for the employee's services that make it essential to retain them.

(2) Retention would be difficult based on labor market factors for the same or similar position. For example, supervisors should include documentation if employee has received offer of employment or must certify that the employee is actively seeking employment outside Federal service.

(3) The employee's departure from Federal service would affect the ASC's ability to carry out an activity or perform a function that is deemed essential to the mission.

d. The ASC Deputy to the Commander (DC) is the approving authority for all SLR requests for HQ ASC and subordinate installations.

e. SLR benefit will be made on the basis of merit, as prescribed by law, without discrimination for any reason such as race, color, religion, sex, national origin, or disability.

5. Responsibilities.

a. The ASC Deputy Chief of Staff for Human Resource Management, G-1 (AMSAS-HR) is responsible for the implementation of the SLRP.

b. The ASC SLRP Coordinator (AMSAS-HRC) is responsible for:

(1) Maintaining and updating this regulation as changes occur.

(2) Monitoring and reporting the number of SLRP request approved for HQ and subordinate installation.

(3) Reviewing all HQ ASC and subordinate installation SLR requests for the command.

(4) Finalizing with the employee the SLR agreement upon receiving approval of the repayment request from the ASC DC.

c. HQ ASC and subordinate installation supervisors are responsible for:

(1) Reviewing SLR requests and determining a need for, and preparing the SLR request (Appendix A).

(2) Verifying existence of, and the balance on qualifying outstanding loans.

(3) Coordinating and recommending approval of a SLR request through the appropriate chain of command.

(4) Establishing the SLR agreement (Appendix B).

(5) Providing a copy of the approved student loan repayment agreement and letter from lending institution to AMSAS-HRC.

(6) Meeting with employees and first line supervisors for those requests not recommended for approval.

(7) Immediately notifying SLRP Coordinator if an employee receiving SLR leaves their current position.

d. HQ ASC and subordinate installation employees or job candidates are responsible for:

(1) Providing a letter to the selecting official/supervisor from the loan holder(s) containing the needed information.

(2) Finalizing with their selecting official/supervisor the SLR agreement upon receiving approval of the repayment request.

e. For HQ ASC actions, the Human Resources Operations Division (AMSAS-HRO) is responsible for:

(1) Initiating and forwarding a Request for Personnel Action (RPA) to the servicing Civilian Personnel Advisory Center (CPAC) for processing the SLR.

(2) Providing a copy of the SLR agreement and letter from the lending institution for approved SLR requests.

f. For subordinate installations actions, administrative POCs are responsible for:

(1) Establishing a review process for SLR requests to allow the requests to be reviewed and submitted to the ASC SLRP Coordinator for approval by the ASC DC.

(2) Initiating and forwarding a RPA to the servicing CPAC for processing of the SLR.

(3) Providing a copy of the SLR agreement and letter from lending institution for approved SLR requests to the servicing CPAC.

g. Servicing CPACs are responsible for processing SLR actions. A copy of the SLR agreement and letter from the lending institution is provided to the CPAC with the RPA.

6. Procedures.

a. Supervisors interested in offering a SLR will complete ASC Form 690-2 (Request for Repayment of Student Loan (Appendix A)). The request must certify that funds are available, include explanation if difficulty would be encountered in filling the position or retaining an employee in the absence of an incentive, and the rationale for the loan repayment amount.

b. The amount paid through the SLRP may not exceed \$10,000 for an individual in any calendar year and a total of not more than \$60,000 for any one employee. Supervisors must ensure funding is available and clearly document on the student loan request how funding will be provided.

c. Supervisors will verify the existence of and the balance remaining on a qualifying loan(s). The candidate/employee must provide a letter from the loan holder(s) verifying the following:

(1) Name, address, and telephone number for the lending institution holding the loan.

(2) Name, address, and telephone number of servicing agent of the loan to whom payments are sent (if different from (1) above.

(3) Name, title, and telephone number of authorized official for the lending institution.

(4) Name of the Federally-funded loan received, date loan was obtained, and remaining balance of loan.

(5) Loan number.

(6) Federal tax identification (ID) number or employer ID number.

d. As a condition of approving a SLR, the candidate/employee must agree to continue employment with the ASC for a period of time determined by the supervisor and employee. Supervisors will complete ASC Form 690-3 (Student Loan Repayment Service Agreement) (Appendix C) which must show conditions of employment and loan repayment. A minimum of 3 years of employment with ASC is required beginning after the final payment is made. However, student loan agreements are made in 1-year increments with a renewal each year. Supervisors are responsible for verifying performance along with funding availability.

e. HQ ASC requests for repayment are sent through the director, who will forward the recommended requests to ASC Resource Management, G-8 (AMSAS-RM), for confirmation of availability of funds. AMSAS-RM will forward requests to the SLRP Coordinator (AMSAS-HRC) who will review and make a recommendation of approval/disapproval to the DC. The Director will meet with employees and first line supervisors on requests not forwarded for approval. Subordinate activities will forward their recommended approval requests through their established approval process DC for approval.

f. Upon receipt of approved request, supervisor and employee will finalize and sign the student loan service agreement. Directors will meet with employee and first line supervisors on requests not approved by the DC.

g. HQ ASC supervisors will request an RPA for approved request for repayment of student loan through AMSAS-HRC. Supervisors will also provide a copy of the signed request and ASC Form 690-3. AMSAS-HRO will submit the RPA, ASC Form 690-3, and letter from lending institution to the CPAC for processing. Subordinate installations will request an RPA for repayment of student loan through their CPAC. They will also provide a copy of the student loan agreement and letter from lending institution to their CPAC.

Appendix A

ASC Form 690-2, Request for Repayment of Student Loan

(available from <http://www.aschq.army.mil/rcdsmgt/>)

US ARMY SUSTAINMENT COMMAND (ASC) REQUEST FOR REPAYMENT OF STUDENT LOAN <small>(ASCR 690-7)</small>	
Name: _____	
Position Title, Series, Grade: _____	
Organization: _____	Supervisor's Name: _____
<p>1. A student loan repayment is requested for the above individual. Without this incentive, difficulty will be encountered in recruiting/retaining this individual. Please check the appropriate box (more than one may be checked) and explain situation for each box checked. Justification may be provided below or on a separate page.</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Position has frequent turnover rate </div> <div style="width: 30%;"> <input type="checkbox"/> Position is difficult to fill </div> <div style="width: 30%;"> <input type="checkbox"/> Other </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Special qualifications of the individual </div> <div style="width: 30%;"> <input type="checkbox"/> Special qualifications of the position </div> </div> <p>Explain situation: _____</p>	
<p>2. The repayment amount requested is:</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">\$ _____ to be paid during calendar year _____</div> <div style="width: 45%;">\$ _____ to be paid during calendar year _____</div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">\$ _____ to be paid during calendar year _____</div> <div style="width: 45%;">\$ _____ to be paid during calendar year _____</div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">\$ _____ to be paid during calendar year _____</div> </div> <p>The total amount of the repayment is \$ _____. The following is justification for the amount requested: _____</p>	
<p>3. Signatures</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 55%; text-align: center;"> _____ Management Representative </div> <div style="width: 35%; text-align: center;"> _____ Date </div> </div> <p><input type="checkbox"/> Funding has been approved to pay the above student loan repayment incentive.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 55%; text-align: center;"> _____ Resource Management Representative </div> <div style="width: 35%; text-align: center;"> _____ Date </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 55%; text-align: center;"> _____ Authorizing Official </div> <div style="width: 35%; text-align: center;"> _____ Date </div> </div>	

Appendix B

ASC Form 690-3, Student Loan Repayment Service Agreement

(available from <http://www.aschq.army.mil/rcdsmgt/>)

US ARMY SUSTAINMENT COMMAND (ASC) STUDENT LOAN REPAYMENT SERVICE AGREEMENT <small>(ASCR 690-7)</small>		
PRIVACY ACT STATEMENT		
<p>Title 5 U.S.C. 5379 allows repayment of outstanding federally insured student loans made by educational institutions or banks and other private lenders as authorized by the Higher Education Act of 1965 and the Public Health Service Act. Student loan repayments are made directly to the lender subject to the conditions stated in this agreement. Use of this authority in no way constitutes the right, promise, or entitlement for continued employment or noncompetitive conversion to the competitive service. The collection of this information is authorized by 5 U.S.C. 5379 to facilitate the repayment of student loans where authorized. Providing this information is voluntary but choosing not to provide the requested information may delay or preclude the payments by the Department of the Army.</p>		
CONDITIONS OF EMPLOYMENT		
<p>1. Organization/Installation: agrees to provide a student loan repayment benefit to the following employee, subject to the conditions of employment stated in this document.</p>		
<p>2. Employee Name:</p>		
<p>3. Employee SSN:</p>		
<p>4. Position:</p>		
<p>5. State the conditions of employment specific to each agreement as described in 5 CFR 537.107(a) or attach as a separate page:</p>		
CONDITIONS OF LOAN REPAYMENT		
<p>6. I agree to complete ____ years of service (<i>minimum 3 years</i>). My period of service begins on (date): ____ (period begins after the final payment is made). In return, the Department of the Army will make payments on my outstanding federally insured loan to the following lender(s) (name & address):</p> <p>_____</p>		
<i>This is subject to verification of funding and acceptable performance.</i>		
7. REPAYMENT AMOUNT	8. YEARS	9. TOTAL
\$		\$
<p>Under this part, student loans are not to exceed \$10,000 each calendar year up to a lifetime total of \$60,000. If increases or decreases to this service agreement are requested, a revised service agreement must be approved by the authorizing official and forwarded to the Defense Finance and Accounting Service (DFAS) to ensure the size and duration of payments to the loan holder are adjusted accordingly. I understand that repayment of my student loan(s) under this agreement does not exempt me from my responsibility for payment of any loan(s) that remain my responsibility.</p>		
LOAN REPAYMENT PROCEDURES		
<p>DFAS will make payments to the lender on a biweekly basis. It will determine the amount to be paid by dividing the annual repayment amount by the number of pay periods in the year for which payments are made. This usually will be 26 payments per year, except for years having 27 pay periods. In those cases, 27 biweekly payments will be made. The loan repayment amount will be considered as taxable wages and tax withholding will be made on a biweekly basis as appropriate. The Department of Army is not responsible for any late fees or penalties assessed by the loan holder(s) prior to, during, or subsequent to this agreement.</p>		

Appendix B (cont)

LOSS OF ELIGIBILITY FOR LOAN REPAYMENT BENEFIT																												
<p>I understand I will no longer be eligible for the loan repayment incentive if I voluntarily end my employment with (fill in name of organization): _____, am separated for reasons of misconduct or performance, fail to maintain an acceptable level of performance, or in any way violate the terms of this agreement. In addition, the incentive is based on continued employment in this specific position and movement to another position may impact continued eligibility for the incentive, and therefore, will require review and decision by the ASC Chief of Staff.</p>																												
REIMBURSEMENT OF LOAN REPAYMENT BENEFIT																												
<p>If I leave the employment of Department of Defense (DoD) either by (1) voluntarily (including termination of employment with DoD to enter into the service of another Federal agency), or (2) involuntarily on account of misconduct or performance, before I complete the period of service specified in this agreement, I will reimburse DoD for the entire amount of all loan repayments considered as taxable wages that DoD has made in my behalf.</p>																												
<p>10. Signatures:</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%; text-align: center;"> <p>_____ Employee</p> </div> <div style="width: 45%; text-align: center;"> <p>_____ Date</p> </div> </div> <p style="margin-top: 20px;"><input type="checkbox"/> I certify that I have discussed the conditions of the student loan repayment program with this employee.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%; text-align: center;"> <p>_____ Management Representative</p> </div> <div style="width: 45%; text-align: center;"> <p>_____ Date</p> </div> </div> <div style="margin-top: 20px;"> <table style="width: 100%; border: none;"> <tr> <td style="width: 45%; vertical-align: top;"> <p>_____ Verification funding (AMSAS-RM)</p> </td> <td style="width: 10%; text-align: center; vertical-align: top;"> <p>-Year 2-</p> </td> <td style="width: 45%; vertical-align: top;"> <p>_____ Verification of acceptable performance (Supervisor)</p> </td> </tr> <tr> <td style="height: 40px;"></td> <td></td> <td></td> </tr> <tr> <td style="vertical-align: top;"> <p>_____ Verification funding (AMSAS-RM)</p> </td> <td style="text-align: center; vertical-align: top;"> <p>-Year 3-</p> </td> <td style="vertical-align: top;"> <p>_____ Verification of acceptable performance (Supervisor)</p> </td> </tr> <tr> <td style="height: 40px;"></td> <td></td> <td></td> </tr> <tr> <td style="vertical-align: top;"> <p>_____ Verification funding (AMSAS-RM)</p> </td> <td style="text-align: center; vertical-align: top;"> <p>-Year 4-</p> </td> <td style="vertical-align: top;"> <p>_____ Verification of acceptable performance (Supervisor)</p> </td> </tr> <tr> <td style="height: 40px;"></td> <td></td> <td></td> </tr> <tr> <td style="vertical-align: top;"> <p>_____ Verification funding (AMSAS-RM)</p> </td> <td style="text-align: center; vertical-align: top;"> <p>-Year 5-</p> </td> <td style="vertical-align: top;"> <p>_____ Verification of acceptable performance (Supervisor)</p> </td> </tr> <tr> <td style="height: 40px;"></td> <td></td> <td></td> </tr> <tr> <td style="vertical-align: top;"> <p>_____ Verification funding (AMSAS-RM)</p> </td> <td style="text-align: center; vertical-align: top;"> <p>-Year 6-</p> </td> <td style="vertical-align: top;"> <p>_____ Verification of acceptable performance (Supervisor)</p> </td> </tr> </table> </div>		<p>_____ Verification funding (AMSAS-RM)</p>	<p>-Year 2-</p>	<p>_____ Verification of acceptable performance (Supervisor)</p>				<p>_____ Verification funding (AMSAS-RM)</p>	<p>-Year 3-</p>	<p>_____ Verification of acceptable performance (Supervisor)</p>				<p>_____ Verification funding (AMSAS-RM)</p>	<p>-Year 4-</p>	<p>_____ Verification of acceptable performance (Supervisor)</p>				<p>_____ Verification funding (AMSAS-RM)</p>	<p>-Year 5-</p>	<p>_____ Verification of acceptable performance (Supervisor)</p>				<p>_____ Verification funding (AMSAS-RM)</p>	<p>-Year 6-</p>	<p>_____ Verification of acceptable performance (Supervisor)</p>
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<p>_____ Verification funding (AMSAS-RM)</p>	<p>-Year 6-</p>	<p>_____ Verification of acceptable performance (Supervisor)</p>																										

ASC Form 690-3, Oct 09 (continuation)

Appendix C

List of Qualifying Loans for Repayment of Student Loan Incentive

1. Loans under the Higher Education Act of 1965 covers three families of loans as described below:

Federal Family Education Loans (FFEL)

- Subsidized Federal Stafford Loans
- Unsubsidized Federal Stafford Loans
- Federal Plus Loans
- Federal Consolidation Loans

Williams D. Ford Direct Loan Program (Direct Loans)

- Direct Subsidized Stafford Loans
- Direct Unsubsidized Stafford Loans
- Direct PLUS loans
- Direct Subsidized Consolidation Loans
- Direct Unsubsidized Consolidation Loans

Federal Perkins Loan Program

- National Defense Student Loans (made before July 1, 1972)
- National Direct Student Loans (made between July 1972 and July 1, 1987)
- Perkins Loans (made after July 1, 1987)

2. Loans made or insured under the Public Health Service Act include:

- Loans for Disadvantaged Students (LDS)
- Primary Care Loans (PCL)
- Nursing Student Loans (NSL)
- Health Professions Student Loans (HPSL)
- Health Education Assistance Loans (HEAL)

Appendix D

STUDENT LOAN REPAYMENT PROGRAM (SLRP) QUESTIONS AND ANSWERS

1. What is the student loan repayment (SLR) authority? The SLR authority allows ASC to repay all or part of an outstanding Federally made, insured, or guaranteed student loans as a recruitment or retention incentive in order to attract or keep highly qualified individuals. An employee must sign a service agreement to remain the service of DoD for a period of not less than 3 years in order to receive a SLR benefit.

2. Are all employees entitled to a SLR? No, like all other recruitment and retention incentives, the command has discretionary authority to repay certain types of Federally made, insured or guaranteed student loans as a recruitment or retention incentive for highly qualified candidates or current employees. Factors such as availability of money, job market, or qualifications may influence approval/disapproval.

3. Are employees not covered by the General Schedule (GS) pay system eligible for SLR benefits? Yes, all highly qualified personnel, regardless of job series, including Senior Executive Service members, Federal Wage System employees, and employees covered by administratively determined pay systems, are eligible unless specifically excluded by law or regulation.

4. What type of loans qualifies for this incentive? Repayment of student loans includes current Federally made, insured, or guaranteed loans made by educational institutions and banks and other private lenders as authorized by the Higher Education Act of 1965 or the Public Health Service Act.

5. Can the command make a loan repayment for a student loan that was previously repaid by the employee? No, the command may not make a loan repayment for a student loan that was previously repaid by the employee. SLRs must be paid for outstanding student loans.

6. Can the command agree to repay any future student loans accrued by the employee? No, the command may agree only to make repayments on those student loans taken prior to the SLR agreement.

Appendix D (cont)

7. May the command offer a SLR benefit to retain an employee likely to leave for a position in another Federal agency? The command may not offer to repay a student loan for an employee who is likely to leave for any position in any branch of the Federal Government.

8. Who is eligible for repayment of a student loan benefit? ASC may approve SLR benefits to recruit a highly qualified job candidate or retain a highly qualified employee who, during the service period established under a service agreement by ASC, will be serving under the following:

- a. An appointment other than a time limited appointment or;
- b. A time-limited appointment if the employee or job candidate will have at least 3 years remaining under the appointment after the beginning of the service period established under a service agreement or;
- c. The time limited appointment authority leads to conversion to another appointment of sufficient duration so that his or her employment with the agency is projected to last for at least 3 additional years after the beginning of the service period established under a service agreement

NOTE: An employee occupying a position that is excepted from the competitive service because of its confidential, policy-determining, policy-making or policy advocating character is ineligible for SLR benefits.

9. What is the maximum amount of a SLR? For any one individual, ASC may agree to provide SLR benefits of up to \$10,000 per calendar year, subject to a cumulative maximum of \$60,000 per employee.

10. What are the requirements of the SLR service agreement? A written service agreement between ASC and the employee must be signed before repayment of a student loan may be authorized.

The manager and employee establish the service agreement. The agreement will specify the conditions of the agreement to include the amount of repayment and required period of employment. The ASC policy will require a minimum of 3 years of employment beginning after the final payment is made.

Appendix D (cont)

11. If an employee does not satisfy the terms of the service agreement, how much of the total amount of payment are they required to reimburse the command? If an employee voluntarily separates from the Federal service and does not complete the terms of the service agreement, he/she is obligated to reimburse the paying agency for the full amount of the loan repayment benefit. An employee involuntarily separated for reasons of misconduct or performance before completing the terms of the service agreement is also obligated to reimburse the paying agency for the full amount of the loan repayment benefit.

12. How is the SLR paid? The student loan payments are not directly paid to an employee. The Defense Finance and Accounting Service (DFAS) will make payments to the lender on a biweekly basis. The amount to be paid by dividing the annual repayment amount by the number of pay periods in the year for which payments are made will be determined by DFAS. This usually will be 26 payments per year, except for years having 27 pay periods. In those cases, 27 biweekly payments will be made.

13. Is the command responsible for any late fees assessed by the loan holder if the agency student loan payment is not received on time? The command is not responsible for late fees or penalties assessed by the holder prior to, during, or subsequent to the agreement.

14. Are SLR benefits subject to employment taxes? Yes. Although a student loan payment is paid directly to the loan holder on behalf of the employee, the payment is nonetheless includible in the employee's gross income and wages for Federal employment tax purposes.

15. When will eligibility for loan repayment cease?

a. Separation from the ASC will terminate loan repayment eligibility. Movement within the ASC may require renegotiation of the service agreement.

b. Employee does not maintain performance of at least level 3 (fully successfully) or equivalent under the performance appraisal system.

c. Violates any of the conditions of the service agreement.